

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

| Representatives Present During the Inspection: | | | | | | |
|--|---|--|--|--|--|--|
| Company | John Gefferth Environmental Engineer | | | | | |
| Company | Russell Hardy | | | | | |
| OSM | Henry Austin | | | | | |
| OGM | Karl Houskeeper Environmental Scientist III | | | | | |
| OGM | Steve Demczak Environmental Scientist III | | | | | |

Inspection Report

| Permit Number: | C0150007 | | | |
|------------------|------------------------------|--|--|--|
| Inspection Type: | COMPLETE | | | |
| Inspection Date: | Tuesday, December 05, 2006 | | | |
| Start Date/Time: | 12/5/2006 10:00:00 AM | | | |
| End Date/Time: | 12/5/2006 4:00:00 PM | | | |
| Last Inspection: | Wednesday, November 15, 2006 | | | |

Inspector: Steve Demczak, Environmental Scientist III

Weather: Cold, Windy, 30's

InspectionID Report Number: 1165

Accepted by: pgrubaug

12/20/2006

Permitee: CONSOLIDATION COAL CO

Operator: CONSOLIDATION COAL CO MID-CONTINENT REGION

Site: HIDDEN VALLEY MINE

Address: PO BOX 566, SESSER IL 62884

County: EMERY

Permit Type: PERMANENT COAL PROGRAM

Permit Status: RECLAIMED

Current Acreages

| Total Permitted | 960.00 | | |
|------------------------|--------|--|--|
| Total Disturbed | 6.70 | | |
| Phase I | 6.70 | | |
| Phase II | | | |
| Phase III | | | |

Mineral Ownership

Types of Operations ☐ Federal Underground

Surface State County Processing

Other Reprocessing Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit last renewed 1/29/2002. The permit area is 960 acres within T. 23 S. R. 6 E. W1/2 Sec 17 and all of Sec. 18. The Permittee's address is listed on the Reclamation Agreement [12755 Olive Blvd. St Louis Mo] has changed. The corporate headquarter's address should read [1800 Washington Rd., Pittsburgh PA]. The Engineering Office for the western operations is in Sesser, IL. Consolidation Coal Co. Board of Directors has authorized an exploratory engineering study at the Hidden Valley reclaimed site. Both portals will be reopened.

Inspector's Signature:

Steve Demczak, Invironmenta Scientist III

Date

Monday, December 18, 2006

Inspector ID Number: 39

Permit Number: C0150007 Inspection Type: COMPLETE

Inspection Date: Tuesday, December 05, 2006

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|------|---|-----------|----------------|--------------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | ✓ | | \checkmark | |
| 2. | Signs and Markers | ✓ | | | |
| 3. | Topsoil | V | | ✓ | |
| 4.a | Hydrologic Balance: Diversions | V | | ✓ | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | | ✓ | | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | ✓ | | ✓ | |
| 4.d | Hydrologic Balance: Water Monitoring | ✓ | | ✓ | |
| 4.e | Hydrologic Balance: Effluent Limitations | ✓ | | | |
| 5. | Explosives | ✓ | | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | ✓ | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | | ✓ | | |
| 8. | Noncoal Waste | ✓ | | ✓ | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | ✓ | | | |
| 10. | Slides and Other Damage | ✓ | | | |
| 11. | Contemporaneous Reclamation | ✓ | | | |
| 12. | Backfilling And Grading | ✓ | | V | |
| 13. | Revegetation | ✓ | | V | |
| 14. | Subsidence Control | ✓ | | | |
| 15. | Cessation of Operations | ✓ | | | |
| 16.a | Roads: Construction, Maintenance, Surfacing | ✓ | | | |
| 16.b | Roads: Drainage Controls | ✓ | | | |
| 17. | Other Transportation Facilities | ✓ | | | |
| 18. | Support Facilities, Utility Installations | | V | | |
| 19. | AVS Check | ✓ | | | |
| 20. | Air Quality Permit | V | | | |
| 21. | Bonding and Insurance | V | | V | |
| 22. | Other | | | | |

Permit Number: C0150007 Inspection Type: COMPLETE

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1. Permits, Change, Transfer, Renewal, Sale

The permittee is conducting minor exploration at Hidden Valley. The drill holes have been drilled. The permittee will stop for the winter due to conditions and will re-start in the spring.

3. Topsoil

All topsoil is covered with brattice at the exploration site. All drill cutting MUST be on brattice. The permittee was going to put drill cutting on the topsoil area. They have been advised that the cutting must be placed on brattice to protect the topsoil.

4.a Hydrologic Balance: Diversions

The main diversion was spot-checked and would function during a storm event.

4.c Hydrologic Balance: Other Sediment Control Measures

Silt fences were functioning as designed.

4.d Hydrologic Balance: Water Monitoring

The permittee was in the process of taking fourth quarter water monitoring.

8. Noncoal Waste

The reclaim area was clear of non-coal waste material.

12. Backfilling And Grading

The permittee will need to reclaim the three drill hole sites.

13. Revegetation

All drill sites will need to be seeded.

21. Bonding and Insurance

The public insurance policy is furnished by Steadfast Inc. Co. This policy will expire on October 5, 2007. The Certificate of Insurance form meets the requirements of the R645 Coal Rules. The bonding amount is \$90,758.